mineral products and other items during the last decade after the nationalisation of coal mines. During the last ten years upto 1996-97, the annualised increase in coal prices has been 8.63% whereas the Wholesale Price Index has increased by 8.99% during the corresponding period. The Wholesale Price Index is based on the prices of various items including the mineral products.

(b) Does not arise in view of the answer given to Part (a) of the question.

(c) and (d) As per the latest information, the cost of production of coal in the mines of CIL is much lower than the per tonne production cost of coal in a number of other countries like Germany, United Kingdom, France and Australia. The steps taken to reduce the cost of production of coal in India are:

(i) Rationalisation of manpower;

(ii) Increasing the capacity utilisation;

(iii) Phasing out uneconomic operations.

Royalty on Coal

2724. SHRI VIRENDRA KUMAR SINGH:

DR. KRUPASINDHU BHOI:

Will the Minister of COAL be pleased to state:

(a) whether Coal India Ltd. propose to pay royalty to coal producing States on the basis of its price instead of weight;

(b) if so, the details thereof;

(c) whether royalty paid to State Governments is likely to increase if it is paid on the basis of price of coal; and

(d) if so, the percentage of increase as a result thereof?

THE MINISTER OF STATE OF THE MINISTRY OF COAL (SHRIMATI KANTI SINGH): (a) to (d) Under Section 9 (3) of the Mines and Minerals (Regulation and Development) Act, 1957, the Central Government is empowered to fix the royalty rates on coal. Under the proviso to this Section it can enhance the royalty rate on coal not more than once during any period of three years. As the royalty rates on coal were revised last on 11.10.94, the next upward revision falls due only after 10.10.97. In order to go into the details of the question of revision of royalty rates on coal, a Study Group has been constituted in Ministry of Coal on 28.1.97 to consider all aspects of coal royalty including the mode of fixation of royalty, that is on the basis of price or weight. The Study group is required to submit its report by 31.8.97 where after a decision will be taken.

[English]

Foreign Debt

2725. DR. KRUPASINDU BHOI:

SHRI RAMESHWAR PATIDAR:

SHRI HARIN PATHAK:

JUSTICE GUMAN MAL LODHA:

SHRI NITISH KUMAR:

Will the Minister of FINANCE be pleased to state:

(a) whether the Government have repaid the instalment of loan along with interest thereon within the stipulated time as per the terms of foreign loan during the last three years;

(b) if so, the amount paid to each foreign financial institution as instalment of loan together with interest during 1994-95, 1995-96 and 1996-97;

(c) the foreign debt in rupee as well as in dollars, in March, 1995, March, 1996 and March, 1997 and the extent to which it is likely to increase by March, 1998;

(d) the reasons for increase in foreign debt, if any; and

(e) the measures taken/proposed to be taken by the Government to repay all foreign debt in a reasonable time frame and to reduce the burden of foreign debt on the country?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) Yes, Sir.

(b) A Statement is attached.

(c) to (e) According to the latest available estimates, the total foreign debt outstanding was Rs. 311,685 crore (US$ 99,008 million) as on March 31, 1995 and Rs. 315,435 crore (US$ 92,199 million) as on March 31, 1996.

The main features of the debt management strategy followed by the Government includes sustaining a high growth rate of exports, encouraging non-debt creating inflows and keeping the maturity structure as well as the total amount of commercial debt under control.